



ITG News

Keeping First Nations Informed



Publication 4267D

Catalog Number 37831N

Great Plains Edition

October 2003

Message From The Director



Welcome to the initial issue of our quarterly *ITG News* for Indian Tribes located within the Great Plains area. As the IRS Office of Indian Tribal Governments moves to expand its efforts to assist federally-recognized tribes with addressing federal tax administration issues, we will continue to explore new methods to effectively communicate with tribes, and ensure the timely distribution of information. I hope that you find this newsletter to be a valuable tool.

We have a number of other information mechanisms available to assist you. We are continuing to enhance our web site for tribes at www.irs.gov/tribes, which includes recent information on regulatory issuances, links to common tax forms, answers to Frequently Asked Questions, return filing addresses, and updates on the Advisory Committee to the TEGE Commissioner, a group that includes two representatives from Indian tribes. We also offer toll-free telephone assistance at (877) 829-5500.

We want this to be your newsletter, so if there are any areas you would like addressed, please let us know. As always, I welcome your feedback on our operations, and particularly your suggestions on how we might improve our service to you. Please feel free to contact any of our Specialists at any time, or you may always contact me at (202) 283-9800, or via e-mail at christie.jacobs@irs.gov.

Christie Jacobs

Inside this issue:

Message from the Director	1
Update on Consultation Policy Listening Meetings	2
ITG Customer Satisfaction Survey Results	3
Meet the Specialists	3
ITG Area Contacts	4
1099 & W-2G Mismatch No- tices	5/6
Federal Unemployment Tax Refunds	6
Patriot Act Communication System	7
Calendar of Tax Events	8/9

New Casino Report Form Implemented

Effective October 1, 2003, FinCEN Form 103 has replaced Form 8362 (Currency Transaction Report for Casinos). A link to the new form is available on the ITG web site at www.irs.gov/tribes.



Update on Consultation Listening Meetings

Based on the recommendations of the Advisory Committee to the Tax Exempt Government Entities Commissioner, we are currently holding a series of 12 “listening” meetings that are designed to allow tribal input into the scope and process that might be employed in an eventual IRS/Tribal Consultation Policy.

We have completed six of the meetings and have received valuable ideas. However, there are still six additional meetings that will be held during the next three months as follows:

Wednesday October 15th

1:00-4:00pm

Holiday Inn – Duluth, Minnesota

200 West First Street

Thursday October 23rd

1:00-4:00pm

Westmark Hotel – Anchorage, Alaska

720 West 5th Street

Tuesday November 18th

1:00-4:00pm

U.S. Mint Building – Washington, D.C.

801 9th Street NW

Tuesday December 9th

9:30am-12:30pm

Courtyard by Marriott (Airport) – Albuquerque, New Mexico

1920 Yale Blvd SE

Wednesday December 10th

Navajo Nation

Time and Location TBA

Thursday December 11th

1:00-4:00pm

Hilton Phoenix East – Mesa, Arizona

1011 West Holmes Avenue

If you are interested in participating, you can attend any of the remaining meetings by registering on-line through the registration link on our web site at www.irs.gov/tribes. You can also submit input through the e-mail link on the bottom of the registration page. Once all of the meetings are completed, we will be posting a summary of the input received to our web site, and inviting additional comments before any drafting process begins.



ITG Customer Satisfaction Survey Results

In July we mailed our first ever Customer Satisfaction Survey to each of the 564 federally-recognized tribes. This effort was part of our desire to have our customers provide us with direct feedback on how well we are doing our job and meeting their needs and expectations.

The overall level of satisfaction was very high. However, that does not mean that we cannot improve. In fact, the survey results provided us with several areas where we will be undertaking actions. Many of those actions are included in a summary that we posted to our web site at www.irs.gov/tribes, but we also want to share some of the more significant actions that we are planning.

First, we will be making a renewed effort to ensure that every tribe is aware of our office and our mission. We will attempt to accomplish this through a marketing effort that will provide tribal contacts with readily accessible information on contact points and work hours for their assigned field specialists. We will also provide information on back-up contacts in the event that the primary contact is not available.

Second, we are initiating steps to improve access to our office and tax information through our web site. Many of our existing features, including our e-mail link, will be redesigned to attempt to improve their visibility, and the ability of our customers to locate the information that is utilized the most often. We will also be focusing efforts on working with tribes to remedy the cause of penalties, and to better address the tax issues for their members. Other actions are listed on our web site.

We want to thank each tribe that took the time to complete and return the survey. Your feedback is very important to us, and we look forward to your continuing feedback in the future.

Meet the Specialists

In order to provide quality service to the tribes, ITG hired individuals who serve as specialists and work “one-on-one” with the tribes. The specialists for the North Central States are listed on page 4.

These individuals have been trained in topics such as employment taxes, Title 31, casino gaming, and protocol. These specialists can also address other issues unique to Indian Country. Issues may relate to tribal governments as employers, distributions to tribal members and the establishment of governmental programs, trusts and businesses.

Each of the ITG Specialists is assigned to specific tribes and serves as the tribes single point of contact for assistance and service. Many of you have already been contacted by the specialist that serves your area. However, if you are unaware of the contact person for your tribe and would like to speak with you Specialist, please contact Group Manager, John L. Walters at (701)239-5400 x.253 or via e-mail at john.l.walters@irs.gov.



ITG Area Contacts

NORTH CENTRAL

Illinois, Iowa, Kansas, Michigan, Minnesota, Missouri, Montana, Nebraska, North Dakota, South Dakota, Wisconsin, Wyoming

SPECIALISTS

Jeff Clairmont

Kalispell, MT
406-752-6149 ext 24
Jeff.R.Clairmont@irs.gov

Ione Reddy

Rapid City, SD
605-341-8749 ext 229
Ione.A.Reddy@irs.gov

Serina Halverson

Omaha, NE
402-361-0286
Serina.M.Halverson@irs.gov

Joe Hedglin

Willmar, MN
320-231-7043
Joseph.R.Hedglin@irs.gov

Pat Kearns

Duluth, MN
218-720-5305 ext 227
Patrick.L.Kearns@irs.gov

Jim Furnas

Duluth, MN
218-720-5305 ext 228
James.M.Furnas@irs.gov

Rob Bixby

Green Bay, WI
920-433-3810 ext 4021
Robert.D.Bixby@irs.gov

Jim Scrivener

Traverse City, MI
231-932-2062
James.Scrivener@irs.gov

Sandy King

Sault Ste Marie, MI
906-635-9289
Sandra.King@irs.gov

John Walters, Manager

Fargo, ND
701-239-5400 ext 253
John.L.Walters@irs.gov

Cheryl Bauer, Management Assistant

Fargo, ND
701-239-5400 ext 243
Cheryl.J.Bauer@irs.gov

Telephone, Internet, & Mailing Address

- **Call: Customer Account Services** toll free **877-829-5500**
- **Visit: Indian Tribal Governments** Web site at **www.irs.gov/tribes**
- **Write: Internal Revenue Service**
Indian Tribal Governments SE:T:GE:ITG
1111 Constitution Ave., NW
Washington, DC 20224



1099 & W-2G Mismatch Notices to be Mailed in Sept & Oct

Did you file 1099's or W-2G's for 2002? Have you received a letter from the IRS that includes a list of missing or incorrect payee TIN(s) a mile long...Confused? ITG would like to help.

Payments made for gambling winnings, per capita payments, non-employee compensation and others may be subject to reporting on Form 1099 or Form W-2G. These types of payments may also be subject to **backup withholding** if a proper taxpayer identification number (TIN) is not given. A Form W-9 or similar substitute is often used to request verification of a customer's name and TIN.

Even with a valid W-9, a TIN/name mismatch can occur when the Form 1099 or W-2G is filed with the IRS. Why do mismatches occur? Perhaps, because...

- The payee has inadvertently provided an incorrect number;
- The payee has provided the correct number, but a typing or operator error has resulted in an incorrect number on the Form 1099 or W-2;
- The payee has had a recent name change (i.e. marriage or divorce) and has not notified Social Security;
- The payee is a sole proprietor and uses a business name instead of his/her individual name.
- The payee has purposely provided an incorrect number hoping to avoid detection by IRS or others.

Regardless of the reason, if a TIN/name combination cannot be found on IRS or Social Security Administration files a **CP2100 or CP2100A** notice will be sent to you—the payer. **What should you do if you receive a CP2100 or CP2100A notice?**

First, compare the IRS list to your records. Does this list include...

Missing TINs: Continue or begin backup withholding immediately. At least three solicitations for a TIN are required: 1) **Initially** (when payment was made); 2) **First Annual Solicitation** by December 31 of the year payment is made (for 2002 payments this date was 12/31/02); 3) **Second Annual Solicitation** by December 31 of the following year (for 2002 payments this date is 12/31/03).

Incorrect TINs: If the TIN/name combination on the list **matches** the W-9, W-2G, or other documents in your records you have 15 business days to send a "B" Notice to the payee. Backup withhold from any reportable payments if the payee does not respond to you within 30 days of the date on the notice. Do **not** backup withhold if the payee furnishes the required certification (*Form W-9 in response to the 1st "B" Notice, or Form SSA-7028 or IRS Letter 147C in response to the 2nd "B" Notice*). Keep copies of these documents in your files. (Note: The 2nd "B" Notice should be sent to the payee if this is the second CP2100/2100A Notice you have received within three calendar years for this payee.)

If the TIN/name combination on the list **does not match** with your records, it could be because 1) you put the incorrect information on the return; 2) the information changed after you filed it; or, 3) IRS misprinted the information in processing. Do not write to the IRS; however, correct & update your records, use the correct TIN/name information for future filing, and make a note of the error in your records.

Continued on page 6



Following and documenting these procedures is a very important step to establishing “**reasonable cause**” when the Proposed Missing and Incorrect TIN Penalty notices are mailed out next August.

Detailed information about “B” notices and backup withholding can be found in IRS Publication 1679. This publication can be accessed on the IRS web site at <http://www.irs.gov/pub/irs-pdf/p1679.pdf> or by calling the ITG Specialist in your area.

Federal Unemployment Tax Refunds (FUTA Tax)

Are you a federally recognized tribe or an enterprise of a federally recognized tribe?

Have you made payments to your State for Unemployment Tax for your workers, or have you made an agreement to reimburse the State for payments of Unemployment benefits paid to your employees?

If your answer to both of the above questions is yes, you are exempt from FUTA taxes for years ending after December 20, 2000. As such, you are entitled to a refund of all Federal Unemployment Taxes (FUTA) that you paid for tax years 2000, 2001, and 2002.

Treasury Announcement 2001-16, February 20, 2001, 2001-8 I.R.B. page 715 allows tribes to reimburse the states for any unemployment taxes and to elect to exclude payment of FUTA taxes after December 20, 2000. A transition rule in Public Law Number 106-554, 114 Stat. 2763, allows for the electing tribe to exclude the FUTA for the year 2000 if unemployment taxes have been paid to their respective state.

Contact your local Indian Tribal Government Specialist to obtain instructions for claiming your refund of FUTA. The name of your local Specialist is provided on page 4.

Any claims for the 2000 tax year must be filed before January 31, 2004.

Any claims for the 2001 tax year must be filed before January 31, 2005.

Any claims for the 2002 tax year must be filed before January 31, 2006.

!! ALERT !!

Claims for refunds of FUTA taxes paid for tax year 2000 must be received by the Internal Revenue Service before January 31, 2004. See above for further information.



Patriot Act Communication System

With the passage of the USA PATRIOT Act of 2001, the Financial Crimes Enforcement Network (FinCEN) was tasked with developing a highly secure network to allow filing institutions to electronically file Bank Secrecy Act (BSA) forms, in particular Currency Transaction Reports (CTRs) and Suspicious Activity Reports (SARs).

In order to meet these requirements, FinCEN has developed the Patriot Act Communication System ("PACS"). The system will allow:

- Filing institutions and other organizations to electronically file CTRs and SARs in a highly secure fashion over the Internet. This includes both single forms as well as batches of forms (i.e., multiple CTRs or SARs contained in electronic batches).
- FinCEN to issue advisories and PACS system updates to the PACS user community
- Members of filing institutions to send secure messages to FinCEN (and receive responses where appropriate).

Effective October 1, 2003 PACS will include the following new forms:

- FinCEN Form 101 (SAR by the Securities and Futures Industries)
- FinCEN Form 102 (SAR by Casinos and Card Clubs)
- FinCEN Form 103 (CTR by Casinos), and
- Form TDF 90-22.56 (SAR by Money Services Business).

How PACS Will Work

Accessing PACS: The PACS system will be hosted on a secure website on the Internet. Filing institution personnel will be able to access PACS only after they have applied for and received a digital certificate from a Government-approved certificate authority.

Using PACS to File BSA Forms: Some institutions regularly file thousands of electronic CTRs and dozens of SARs at a single time. Other institutions file only a small number of electronic or paper-based CTRs and SARs yearly. For both, PACS will serve as another, more efficient conduit for filing BSA forms with the Government. Filing institutions will not be required to file BSA forms using PACS; it will instead be another avenue available to them for filing. All BSA forms and data submitted to PACS are encrypted for protection. At the end of each day, PACS will deliver all submitted BSA data to the IRS Detroit Computing Center for processing. Electronic notification of filings will be provided by PACS to filing institutions.

Alerts and Secure Messaging: FinCEN will use PACS to issue alerts consisting of FinCEN advisories, PACS System updates, and other communications to the PACS user community.

For further information about filing through PACS, visit <http://pacs.treas.gov>. If you have any questions concerning the system, please contact the PACS Help Desk at 1-888-827-2778 (option 6) or via email at PACSHelp@notes.tcs.treas.gov.

Publication 3908—Gaming Tax Law for Indian Tribal Governments has been revised. The updated version is now available through our Distribution Centers, or by contacting your ITG Specialist.

Federal Tax Calendar for Fourth Quarter 2003

October 2003

SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3 * Payroll date 9/27 - 9/30	4
5	6	7	8 * Payroll date 10/1 - 10/3	9	10 * Payroll date 10/4 - 10/7 Employees report September tips to employer	11
12	13	14	15 ** Monthly payroll tax deposit for September	16 * Payroll date 10/8 - 10/10	17 * Payroll date 10/11 - 10/14	18
19	20	21	22 * Payroll date 10/15 - 10/17	23	24 * Payroll date 10/18 - 10/21	25
26	27	28	29 * Payroll date 10/22 - 10/24	30	31 * Payroll date 10/25 - 10/28	

November 2003

SUN	MON	TUE	WED	THU	FRI	SAT
						1
2	3	4	5 * Payroll date 10/29 - 10/31	6	7 * Payroll date 11/1 - 11/4	8
9	10 Employees report October tips to employer	11	12	13 * Payroll date 11/5 - 11/7	14 * Payroll date 11/8 - 11/11	15
16	17 ** Monthly payroll tax deposit for October	18	19 * Payroll date 11/12 - 11/14	20	21 * Payroll date 11/15 - 11/18	22
23	24	25	26 * Payroll date 11/19 - 11/21	27	28	29
30						

* = Make a Payroll Deposit if you are under the semi-weekly deposit rule. ** = Make a Monthly Deposit if you qualify under that rule.

NOTE: Deposits made through EFTPS are due one day prior to the dates listed.

December 2003

SUN	MON	TUE	WED	THU	FRI	SAT
	1 * Payroll date 11/22-11/25	2	3 * Payroll date 11/26-11/28	4	5 * Payroll date 11/29-12/2	6
7	8	9	10 * Payroll date 12/3 - 12/5 > Employees report November tips to	11	12 * Payroll date 12/6 - 12/9	13
14	15 ** Monthly payroll tax deposit for November	16	17 * Payroll date 12/10-12/12	18	19 * Payroll date 12/13-12/16	20
21	22	23	24 * Payroll date 12/17-12/19	25	26	27
28	29 * Payroll date 12/20-12/23	30	31 * Payroll date 12/24-12/26			

* = Make a Payroll Deposit if you are under the semi-weekly deposit rule.

** = Make a Monthly Deposit if you qualify under that rule.

NOTE: Deposits made through EFTPS are due one day prior to the dates listed

Return Filing Dates

By October 31

File Form 941 for the third quarter of 2003. If the tax was deposited in full and on time, file by November 10.

File Form 730 on applicable wagers accepted during September 2003.

By November 30

File Form 730 for applicable wagers accepted during October 2003.

By December 31

File Form 730 for applicable wagers accepted during November 2003.

To add your name or e-mail address to our mailing list, please contact us via e-mail at Jeff.R.Claumont@irs.gov, or call Jeff Clairmont at (406) 752-6149 ext 24

Account or Tax Questions??
Call Customer Account Services at 1-877-829-5500